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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 2004

Vance Day, Treasurer
Oregon Republican Party
2720 Commercial St SE #210
Salem, OR 97302

Response Due Date:
January 10, 2005

Identification Number: C00153031

Reference: October Monthly Report (9/1/04-9/30/04)

Dear Mr. Day:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The totals listed on Lines 6(c), 7, 12, 19, 20, 21(b), 21(c), 22, 31 and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

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You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2))
The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

-Schedule A of your report discloses a receipt(s) of \$11,942.53 from the "Oregon Republican Party Key Bank Non federal acct". Please clarify whether this transfer(s) is from an account maintained by your committee for non-federal activity. If so, be advised that such a transfer is prohibited by 11 CFR §102.5(a)(1)(i) and the full amount of the transfer(s) should be returned to the non-federal account. Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out. In addition, the transfer-out should be disclosed on Schedule B supporting Line 22 of your next report.

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If this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report accordingly.

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the impermissible funds or clarification of the transaction, will be taken into consideration.

-Schedule A of your report discloses one or more contributions totaling \$450.00 from "Dell Inc.," which appears to be a corporation(s). 2 U.S.C. §441b(a) prohibits the receipt of contributions from corporations unless made from a separate segregated fund established by the corporation.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have received a prohibited contribution(s), you may have to make a refund. If within 30 days of receipt you (1) transferred the prohibited amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the prohibited amount must be refunded. See 11 CFR §103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22-or-28-of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of a prohibited contribution, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$16,107.00 for "DIRECT MAIL" and "TELEMARKETING."

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Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

-Schedule B supporting Line 30(b) of your report discloses a payment(s) for "FEA COLLATERAL MATERIAL" which appears to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149. Please be advised that activity which simultaneously constitutes both exempt activity and FEA must be paid for as an FEA activity.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election, it is considered to be Federal Election Activity. 11 CFR §100.24

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would

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constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b).

Please amend your report to clarify (1) whether the activity disclosed meets the conditions of exempt party activity and (2) the type of FEA this activity represents or provide clarifying information as to why it does not meet the definition of FEA. In addition, please properly disclose this activity if necessary.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B and H4 of your report to clarify the following description(s): "EXPENSE REIM," "EXPENSE REIMBURSEMENT," "FEA COLLATERAL MATERIAL," "FEA GALE NORTON EVENT" and "FEA VENEMAN EVENT." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures made for "FEA GALE NORTON EVENT" and "FEA VENEMAN EVENT" on Schedule(s) B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule H4 of your report discloses payments to multiple vendors which are categorized as Administrative expenses; however, the purposes of disbursement disclosed are "voter reg booth," "voter registration booth," "voter registration booth fee" and "voter registration mailer." Please be advised that payments made for your committee's generic voter drive activities should be categorized as Voter Drive expenses on Schedule H4. Please amend your report to clarify the appropriate category for these activities or provide clarifying information regarding these apparent discrepancies.

-Schedule H4 of your report discloses a payment(s) for Voter Registration activity. 11 CFR §100.24(b) defines as Federal Election Activity, voter registration activity during the period beginning on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held, and ending on the date of the election. Furthermore, the costs for this type of Federal Election Activity must either be paid with federal funds or allocated between federal and Levin funds. It appears that you have

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allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for this payment(s) is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Although the Commission may take further legal action regarding this prohibited activity, your prompt action will be taken into consideration.

-Schedule A supporting Line 12 discloses a transfer(s)-in from the Republican National Committee. Schedule H4 supporting Line 21(a) reflects payments for "lawn signs" and "lawn signs & bumper stickers." Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate.

-Schedule H4 of your report discloses a payment(s) for "campaign literature" which appears to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149. Please be advised that activity which simultaneously constitutes both exempt activity and FEA must be paid for as an FEA activity.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter

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Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election, it is considered to be Federal Election Activity. 11 CFR §100.24 Further, Levin funds may only be used for these types of FEA if there is no reference to a clearly identified candidate for Federal office. 11 CFR §300.32(b) and (c)

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and must be paid for with 100% Federal funds and disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate.

It appears that you have allocated the costs for this activity between federal non-federal funds. Any reimbursement from your committee's non-federal or Levin account for Federal Election Activity costs referencing a clearly identified candidate for Federal office is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Please amend your report to (1) clarify whether the activity disclosed meets the conditions of exempt party activity, (2) clarify the type of FEA this activity represents or provide clarifying information as to why it does not meet the definition of FEA, and (3) inform the Commission of any corrective action immediately. In addition, please properly disclose this activity if necessary.

-The outstanding balance of a debt owed to a creditor at the close of one report should be exactly the same as the outstanding balance beginning the period of the next report. This report shows a beginning outstanding balance(s) to "Creative Strategies," which is not identical to the ending outstanding balance(s) for the creditor(s) on the September Monthly Report (8/1/04-8/31/04). Please amend your report to clarify the discrepancy.

-Schedule H6 supporting Line 30(a) of your report discloses a payment(s) for "LEVIN:9-15 STATE PAYROLL". Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more

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than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal or Levin account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-On Schedule H6 supporting Line 30(a) of the Detailed Summary Page, you have failed to check the appropriate allocated activity or event category box for the payment(s) made to "Oregon Republican PartyKey Bank Non federal acct." Please amend your report to disclose the appropriate category.

-Schedule H6 supporting Line 30(a) discloses \$6,000.00 in transfers to what appears to be a non-federal or Levin account of your committee. Please provide further clarification regarding this transfer.

You are advised that 11 CFR §102.5 prohibits a non-federal or Levin account from financing activity in connection with federal elections. If any of the disbursements disclosed on Schedule B supporting Line 30(a) were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1 In addition, if your non-federal or Levin account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §300.33 and establish procedures to insure future compliance with allocation regulations for Federal Election Activity.

-The totals listed on Lines 5 and 6, Column B of the Schedule L Aggregation Page for the "KEY LEVIN" account appear to be incorrect. Please be advised that you should add the "Column B Year-to-Date" total from your previous report to the current "Column A Total This Period" figure to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

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-On the Schedule L Aggregation Page for the "KEY LEVIN" account, the beginning cash balance, Line 7, Column A, should equal the ending balance, Line 11, Column A, of your previous report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1135.

Sincerely,



Maureen Benitz

Senior Campaign Finance Analyst
Reports Analysis Division

